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# HOUSE BILL No. 1466

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-8-11.

**Synopsis:** Insurance reimbursement agreements. Provides that a physical therapist who agrees to certain terms and conditions of reimbursement is entitled to enter into an agreement with an insurer to provide services to individuals insured by the insurer.

**Effective:** July 1, 2003.

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### Frizzell

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January 15, 2003, read first time and referred to Committee on Insurance, Corporations and Small Business.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## HOUSE BILL No. 1466

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 27-8-11-1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. As used in this  
3 chapter:

4 "Health care services":

5 (1) means health care related services or products rendered or  
6 sold by a provider within the scope of the provider's license or  
7 legal authorization; and

8 (2) includes hospital, medical, surgical, dental, vision, **physical**  
9 **therapy**, and pharmaceutical services or products.

10 "Insured" means an individual entitled to reimbursement for  
11 expenses of health care services under a policy issued or administered  
12 by an insurer.

13 "Insurer" means an insurance company authorized in this state to  
14 issue policies that provide reimbursement for expenses of health care  
15 services.

16 "Person" means an individual, an agency, a political subdivision, a  
17 partnership, a corporation, an association, or any other entity.

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1 "Preferred provider plan" means an undertaking to enter into  
 2 agreements with providers relating to terms and conditions of  
 3 reimbursements for the health care services of insureds, members, or  
 4 enrollees relating to the amounts to be charged to insureds, members,  
 5 or enrollees for health care services.

6 "Provider" means an individual or entity duly licensed or legally  
 7 authorized to provide health care services.

8 SECTION 2. IC 27-8-11-3, AS AMENDED BY P.L.1-1999,  
 9 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2003]: Sec. 3. (a) An insurer may:

11 (1) enter into agreements with providers relating to terms and  
 12 conditions of reimbursement for health care services that may be  
 13 rendered to insureds of the insurer, including agreements relating  
 14 to the amounts to be charged the insured for services rendered or  
 15 the terms and conditions for activities intended to reduce  
 16 inappropriate care;

17 (2) issue or administer policies in this state that include incentives  
 18 for the insured to utilize the services of a provider that has entered  
 19 into an agreement with the insurer under subdivision (1); and

20 (3) issue or administer policies in this state that provide for  
 21 reimbursement for expenses of health care services only if the  
 22 services have been rendered by a provider that has entered into an  
 23 agreement with the insurer under subdivision (1).

24 (b) Before entering into any agreement under subsection (a)(1), an  
 25 insurer shall establish terms and conditions that must be met by  
 26 providers wishing to enter into an agreement with the insurer under  
 27 subsection (a)(1). These terms and conditions may not discriminate  
 28 unreasonably against or among providers. For the purposes of this  
 29 subsection, neither differences in prices among hospitals or other  
 30 institutional providers produced by a process of individual negotiation  
 31 nor price differences among other providers in different geographical  
 32 areas or different specialties constitutes unreasonable discrimination.  
 33 Upon request by a provider seeking to enter into an agreement with an  
 34 insurer under subsection (a)(1), the insurer shall make available to the  
 35 provider a written statement of the terms and conditions that must be  
 36 met by providers wishing to enter into an agreement with the insurer  
 37 under subsection (a)(1).

38 (c) No hospital, physician, pharmacist, **physical therapist**, or other  
 39 provider designated in IC 27-8-6-1 willing to meet the terms and  
 40 conditions of agreements described in this section may be denied the  
 41 right to enter into an agreement under subsection (a)(1). When an  
 42 insurer denies a provider the right to enter into an agreement with the

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insurer under subsection (a)(1) on the grounds that the provider does not satisfy the terms and conditions established by the insurer for providers entering into agreements with the insurer, the insurer shall provide the provider with a written notice that:

(1) explains the basis of the insurer's denial; and

(2) states the specific terms and conditions that the provider, in the opinion of the insurer, does not satisfy.

(d) In no event may an insurer deny or limit reimbursement to an insured under this chapter on the grounds that the insured was not referred to the provider by a person acting on behalf of or under an agreement with the insurer.

(e) No cause of action shall arise against any person or insurer for:

(1) disclosing information as required by this section; or

(2) the subsequent use of the information by unauthorized individuals.

Nor shall such a cause of action arise against any person or provider for furnishing personal or privileged information to an insurer. However, this subsection provides no immunity for disclosing or furnishing false information with malice or willful intent to injure any person, provider, or insurer.

(f) Nothing in this chapter abrogates the privileges and immunities established in IC 34-30-15 (or IC 34-4-12.6 before its repeal).

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